

## **A New Approach United Way changes focus to self-sufficiency Some agencies cut; others new to partnership funding**

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It's a fundamental change in philosophy, a new approach to giving and helping in Greater Cleveland:

For the first time, the United Way has grounded its investments in research -- 7,000 pages and six years of it. The result is a focus on self-sufficiency, on preventing folks from falling into the ever-rushing river of need. But the old safety net still stands.

Rather than divvying its annual fund-raising drive among its traditional partner agencies, the United Way chose to fund specific programs. The agency announced Tuesday it will donate \$20.6 million to 126 local agencies.

About half the United Way partner agencies will receive more money under the new system than they did this year, and 21 organizations will receive money for the first time. But 30 partners' shares were cut, and 13 did not receive any funding from the 2007-2008 campaign.

"Through our partner agencies, we've been trying to help people immediately in stress . . . pulling them out of the river," said United Way President K. Michael Benz. "We're also going back . . . and asking why are people falling into the river in the first place."

The process leading to Tuesday's announcement began years ago, when the United Way classified 21 different groups of people who needed help. Then, it set measurable goals for each group and designed strategies to reach those goals.

More than 200 volunteers then matched the goals to 202 programs, proposed by 123 traditional partners and other organizations.

Partners receiving less will see their contributions phased out, thanks to \$2.9 million in a reserve account. They will receive half the difference next year, 30 percent in 2010 and 15 percent in 2011. And they can submit new proposals in three years, after the United Way measures the success of the latest programs.

Officials stressed that agencies receiving less or no funding -- the American Heart Association, Cleveland Reads, the Girl Scouts of North East Ohio and others -- did nothing wrong. They're viable, valuable charities, but their programs may not address the needs the United Way targeted. In some cases, the needs they address may be supported by the government or other agencies.

"We didn't look at it from an agency perspective," said Judith Simpson, United Way vice president for community investment. "We looked at it from a consumer perspective."

It's a national trend, since United Way of America introduced a research-based donation strategy about six years ago, said national spokeswoman Sally Fabens. About 75 percent of local affiliates conduct some sort of assessments.

Unlike United Way of America, though, which has funneled its focus into education, income and health, Greater Cleveland still spreads its donations widely.

It simply re-examined its strategy because the old one wasn't working. Annual campaign totals, which in 2007-08 reached the \$43 million goal, were shrinking, Simpson said. The economy is sinking. And demand for help, based on calls to the United Way's 2-1-1 help line, has exploded.

So the agency decided on in-depth research, to direct dollars where they can do the most good.

"The new strategies are designed to move the needle on some of our community's most difficult issues," said Sandy Pianalto, president and chief executive of the Federal Reserve Bank of Cleveland, who serves as chairwoman of the United Way board. "We are investing in the areas where United Way dollars can have a significant positive impact."

Of course, despite best intentions, some partners -- which under the old system were guaranteed funding depending on how much the annual campaign raised -- will be hurt.

The Rainey Institute, which helps children develop through music and arts, for example, is not being funded by the 2007-08 campaign.

To help in the transition, it will get \$5,826, half the \$11,651 it received this year. The Center for Community Solutions, which researches issues for other agencies and helps them better advocate for their causes, will see an 84 percent cut in support.

"It's human nature not to be happy if you're getting a cut," said Steven Borstein, who headed the volunteers who chose the programs to be funded. "But I think most of the agencies, they know what's been going on, they know the process behind our thoughts."

Some agencies, obviously, will be thrilled by the new strategy.

The Cleveland Housing Network, for example, will receive its first contribution, \$75,000 for credit counseling for low-income residents. The Fairhill Center in Cleveland, too, will receive its first United Way donation of \$75,000 to support senior citizen programs.

The money will allow Fairhill to provide more senior services, such as the senior guest house, a temporary home for older adults displaced by fire or foreclosure, and the kinship program, which provides education and support for older adults raising their grandchildren and great-grandchildren, said Adaora Schmiedl, Fairhill's director of development and marketing.

"An amazing surprise," Schmiedl called it.

"United Way is a three-year gift. They give you the gift of planning, of drawing a breath, and saying, 'OK, they believe in us for three years.' "

Donors -- those thousands of professionals who kick off annual fund-raising campaigns at the Pancake Flip and pledge to give away part of their paychecks -- should also be pleased, Borstein said.

Their money will be used more effectively, he said. Goals will be measurable and programs will be held accountable.

"It's the community's money," said Borstein. "It would be easy to do what we've done in the past. . . . But if you never change, you never go forward."

Plain Dealer reporter Patrick O'Donnell contributed to this story. To reach this Plain Dealer reporter: ljohnsto@plained.com, 216-999-4115

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## **Abstract** (Document Summary)

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